

In this connection, I would point out to you that if operation only to that extent is desired, then you have before you a plan, a specific offer, by all the railway labor organizations voluntarily to operate the railroads to that extent during a strike.

I do not see the necessity for any congressional action if that kind of operation is deemed satisfactory.

During the discussion of this matter in the Senate an interesting suggestion was made by Senator Pell—I am not saying he proposed this—it was suggested only as a thought for consideration—which he called fiscal seizure. He didn't spell it out and in my description of it I am giving it the attributes which I ascribe to it and not necessarily representing that this is what Senator Pell had in mind, because I am guessing at what he had in mind.

As I understand that proposal, it would leave the management and operation in private hands, in the hands of the railroad corporations, but in order to avoid what I have described as the odious element of compulsory arbitration; namely, that unwilling employees would be compelled to work for the profit of private corporations at rates of pay not acceptable to them, it would provide for appropriating to Government account the net proceeds of operation.

I would suppose that under such a system, under Government supervision, the operating expenses would, of course, be paid out of the proceeds of operation, and, in addition, I suppose provision would have to be made for meeting the fixed charges, taxes, interest, and other items of that kind which would be considered legitimate charges against operating revenue in order to arrive at net revenues from operation.

Then the net revenues would be appropriated to the Government account.

I hadn't thought of that approach until Senator Pell mentioned it, but now that I think of it I am rather fascinated by it. I do commend it to you for your consideration.

You may find bugs in it when you consider it, but I think it is well worth considering that possibility.

There is a third consideration that I believe you must give attention to when you consider seizure. That is how are labor relations to be conducted during the period of seizure. That, I think, falls into two categories: You have on the one hand the employees involved in this dispute. What is to be done about this dispute during the period of seizure? But then in addition you have half a million other employees on the railroads represented by some 17 other unions. Certainly a period of seizure ought not to interrupt the normal conduct of labor relations with those unions. They all have various matters in process, in negotiation, all the time concerning adjustments in their rules, new rules, some of these contemplated changes being of a national scope and others local. And, of course, the handling of employee grievances is something that has to go on daily on every railroad in the country.

So I would most strongly urge upon you that in any seizure bill a provision be made that the Railway Labor Act shall continue to govern the handling of labor relations in all areas except the area of this dispute.

I might mention, by the way, that this is one of the major faults that I find with Mr. Adams' bill, House Joint Resolution 585. He is silent